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The pre-school education market in England from 1997:

Quality, availability, affordability and equity

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Abstract

This paper explores changes in the pre-school education market in England since the Labour Government came into office in 1997. It focuses in particular on quality, availability and affordability and in so doing explores issues of equity. It will be argued that whilst overall levels of pre-school educational provision have increased, there are still not enough places, costs are too high for some and the quality is variable. In the light of research evidence indicating greater cognitive and social progress in certain types of pre-school provision, it is argued that there is a particular need to improve access to such forms of provision as they can enhance the educational and social outcomes of children from disadvantaged backgrounds. A number of policy changes are proposed in order to enhance the quality, availability and affordability of pre-school education for children from disadvantaged backgrounds.

1. Introduction

This paper is concerned with pre-school education policy in England and changes that have been introduced since the Labour Government was elected into office in 1997. Early Childhood Education and Care (ECEC) has had a high policy profile under the Labour Government and there have been significant improvements in terms of access and provision. However, it is argued that these have been insufficient to ensure that an adequate supply of affordable, high quality pre-school educational provision is available to meet the needs of children from disadvantaged backgrounds.

Historically, pre-school educational provision in England has been patchy and diverse with little overall planning. This is in marked contrast to the compulsory school system. Institutional education providers for children under statutory school age[1] are varied and comprise bodies in the public, private and voluntary (non-profit) sectors. It is important to note that pre-school education is inter-related with day care, as both provide care and learning experiences for children below compulsory school age: 'There is no clear and logical dividing line between them, as both must secure and promote children's healthy physical, emotional and intellectual development' (Acheson, 1998, p. 3). Providers are varied and have differing characteristics. Nursery school, nursery class and infant class (part of primary schools)[2] provision is restricted to term-time only. Although a full school day is offered in primary schools and some nursery schools, this is not generally the case with nursery classes or pre-school groups (or playgroups), which offer a morning or afternoon session. Full day care all the year round is offered in day nurseries; these are run by local authority social services departments (for children identified as being 'at risk') or by private and voluntary bodies, so catering for the needs of working parents (notably mothers).

The high policy profile of pre-school education in the UK can be traced back to the nursery voucher scheme introduced by the Conservative Government following the 1996 Nursery Education and Grant Maintained Schools Act. This began as a pilot scheme in 1996-97 in four local authorities in England,[3] setting a precedent in relation to pre-school education as an entitlement (Sparkes and West, 1998). It was extended to all LEAs in 1997-98. Under the nursery voucher scheme parents of eligible children were invited to apply for vouchers, which were used to 'purchase' a free part-time pre-school education place for their child. Parents who exchanged vouchers in private or voluntary sectors were able to 'top up' the voucher with their own resources if higher fees were charged, for the part-time

place or for a full-time, all year round place. The Labour Government that was elected into office in May 1997 was committed to ending the scheme and did so in April 1998 (HM Treasury, 1997).

Soon after the election of the Labour Government the Equal Opportunities Minister announced that a National Childcare Strategy would be introduced (DfEE, 1997). According to the subsequent Green Paper, 'Meeting the childcare challenge':

> A National Childcare Strategy matters to children, parents and employers. For too long, the UK has lagged behind in developing good quality, affordable and accessible childcare. The approach taken by previous Governments to the formal childcare sector has been to leave it almost exclusively to the market (DfEE, 1998, pp. 5-6).

Three specific problems were identified, namely that the quality of childcare was variable; the cost of care meant that it was too high for many parents; and there were not enough childcare places in some areas. In particular, the Green Paper stated:

> [It is the] Government's responsibility to ensure that parents have access to services to enable them to make genuine choices. This means good quality, affordable childcare for parents who wish to work outside the home (p. 6).
>
> Through the National Childcare Strategy and working in partnership, the Government will provide the framework within which good quality, affordable childcare is developed across the country (p. 7).

It is important to stress that the focus of the National Childcare Strategy has been on 'strengthening early years *education* provision' (Lewis, 2003, p. 226).

This paper examines the extent to which the key Government objectives of increasing the quality, affordability and availability of childcare have been achieved, by means of an analysis of policy documents, research studies and official statistics. The following section addresses the policy and funding mechanisms for pre-school educational provision since the introduction of the National Childcare Strategy. Section 3 then explores quality and regulation in the pre-school educational sector. Section 4 follows with an analysis of changes in participation and availability of places; in so doing issues of equity, including affordability are explored. The final section discusses the main themes to emerge and their implications for policy, in the light of three key Government objectives in relation to Early Childhood Education and Care, namely improving quality, availability and affordability.

2. Policy and funding

With the introduction of the National Childcare Strategy, the Labour Government made significant changes to the organisation of early years provision (see Lewis, 2003). For the first time, a local system of planning was introduced to try and ensure that there was adequate provision to meet demand, with each Local Education Authority (LEA) being required to set up an Early Years Development and Childcare Partnership (EYDCP). A number of initiatives targeted more specifically on children living in poverty were also introduced. The Sure Start programme, for example, involved as one of its key facets an increase in the availability of childcare places (Sure Start, 2004a), together

with a variety of new types of provision, including Children's Centres and Early Excellence Centres, integrating education and care in deprived areas.

Since 1998, all four year olds have been entitled to receive a free part-time nursery education place for the three terms before they reach statutory school age (i.e. the term after they reach five years of age); further, since April 2004, all three years olds have been entitled to the same level of provision (DfES and DWP, 2003a). The funding scheme introduced by the Labour Government comprised a quasi-voucher with a set value, to be paid to registered pre-school education providers for every eligible three and four-year-old in attendance. One of the key differences with the previous scheme is that there is no 'voucher' or 'coupon' for parents to give to the provider.[4] There is no automatic entitlement to a place at a particular pre-school – the onus is on the parent (usually the mother) to find out if their chosen provider has a place available for their child.

Since 2003-04, funding for the education of three and four year olds has been allocated to local authorities through a block grant (Revenue Support Grant) from central government for local services (West and Pennell, 2003). Funds for pre-school education are distributed via the Education Formula Spending Share (EFSS). Formula spending for nursery education comprises a basic amount of funding per pupil to which are added 'top ups' relating to the LEA's local circumstances (disadvantage, costs) (DfES, 2004a). In 2003-04, funding was available via EFSS to give each authority 'a minimum level of funding for each three year old place of £416 per term (£1248 per annum' (DfES and DWP, 2003a, p. 19).[5] The LEA distributes funds for free places to pre-school education providers based on the number of eligible children attending the particular setting (DfES, 2004a). There is thus a 'quasi-voucher' system in operation with providers receiving higher levels of funding the greater the number of children registered.

The funding covers five sessions of nursery education per week, each session amounting normally to 2.5 hours a day for 33 weeks of the year. This minimum entitlement is free. Whilst parents of a child who is eligible for a free place do not pay for this, if the child attends a provider that normally charges fees, 'the fees charged should be reduced accordingly so that the basis entitlement is free at the point of delivery' (DfES, 2004a, p. 16). There are, nonetheless, circumstances in which 'top up' is allowed: parents 'will be expected to pay for any care received which exceeds the free entitlement' (DfES, 2004a, p. 14).

Whilst the Government now funds free part-time pre-school educational provision, there are also additional government funds available in the form of the Working Tax Credit (WTC) to assist with fees for pre-school education. The WTC is available for parents who are in employment, but on low incomes and the childcare element meets 70% of childcare costs with a registered provider. For 2004-05, the costs were up to a maximum of £135 per week for one child (in which case £94.50 would be the maximum amount of tax credit payable) or £200 for two or more children (£140 would be payable) (see Inland Revenue, 2004). According to the Inland Revenue, which has monitored the take up of WTC, in October 2003, the average amount of financial aid received was £50 per week and one third of families benefiting were reported to be 'the poorest families, receiving the maximum level of support' (National Audit Office (NAO), 2004, p. 35). Students in higher education with dependent children may also be eligible for a childcare grant based on actual childcare costs – although in this case, for one child up to £114.75 a week (85% of the actual costs of up to £135 a week) is payable throughout the year, or £170 a week for two children (DfES, 2004b).[6] However, it is important to acknowledge that in 2004, the average cost of a nursery place for a child over two years was £123 a week and in inner London it was even higher at £149 (Daycare Trust, 2004).

3. 'Quality' and regulation

Regulation and quality

Regulation, in the English context, is seen as a means of assuring quality in the pre-school education market: 'Regulation of childcare ensures that childcare providers operate in accordance with minimum quality standards to make sure that children are safe and well looked after' (HM Treasury, 2004b p. 24).

The Labour Government has strengthened regulation (and quasi-regulation via guidance) and there is now a 'Code of Practice on the Provision of Free Nursery Education Places for Three to Four Year Olds' to which LEAs must have regard (the first Code was introduced along with the Education Act 2002). This provides guidance for EYDCPs and providers of early years education places (DfES, 2004a). Each LEA is required to keep an up-to-date directory of all providers not maintained by the authority that are eligible to claim funding for the provision of free nursery education places (DfES, 2004a, p. 9) and also to attach conditions to the financial assistance they pay to providers of free nursery education (e.g. in relation to the duration of sessions, inspection).

Under the School Standards and Framework Act 1998, nursery education for which government funding has been received, is required to be inspected by the regulatory body, the Office for Standards in Education (Ofsted). Following an inspection, providers must produce an action plan outlining how they intend to address any issues raised. Where provision is judged unacceptable, the provider is allowed either six months to improve provision, or the LEA is advised by Government to remove the provider from the directory and withdraw funding (see DfES, 2004a).

There are also regulations specifying the child to adult ratio in pre-school educational provision. For reception classes (catering for children aged four to five years) the maximum class size is 30.[7] For nursery classes, the regulations specify a ratio is 13 to 1 and for nursery schools 10 to 1. In non-school settings for three to five year olds, the required ratio is 8 to 1 (DfES and DWP, 2003b). Regulation is thus not consistent across providers, even though funding, at least in terms of the quasi-voucher funding mechanism, is (within a given EYDCP). Nor are regulations regarding staff qualifications consistent with qualified teachers not necessarily being employed except in nursery schools, nursery classes and reception classes.[8]

In addition, to these 'structural' regulatory mechanisms, the curriculum has also been subject to change. In September 2000, the Foundation Stage was introduced for children aged three to five years and the Education Act 2002 extended the National Curriculum to include this stage. This focuses on personal, social and emotional development; communication, language and literacy; mathematical development; knowledge and understanding of the world; physical development and creative development. For each area there are also 'learning goals' (Qualifications and Curriculum Authority, 2004). Thus, there is a degree of regulation in terms of what is taught.

'Quality' and pre-school education

Whilst regulation might be seen as a form of 'quality assurance', there are different conceptualisations of quality. It is not possible to do justice to the large body of research that has addressed this issue (see Mooney, Cameron, Candappa, McQuail, Moss and Petrie, 2003; OECD, 2001; Tanner et al., 2005) but it is clear that the concept of 'quality' is elusive. As Mooney et al. (2003) note: 'To distinguish between good and poor practice we need to know what quality is. Yet there is no single,

universal definition' (p. 7). The concept is subjective and not objective, depending as it does on the perceptions of stakeholders:

> Concepts of quality differ across countries and according to the priorities, visions, and perspectives of different stakeholder groups – national and local government authorities, parents, children, employers and providers' (OECD, 2001, p. 63).

Much early years empirical research has focused on quality issues in the USA and has been concerned with the impact of non-parental care on the intellectual, social and emotional development of children (see Mooney et al., 2003). A Cochrane Review of day care for pre-school children (Zoritch, Roberts, and Oakley, 2004), reviewed eight randomised controlled trials, involving over 2000 children randomly allocated to receive day care or to a control group, which did not receive day care (see Zoritch et al., 2004 for details). All of the studies were carried out in the USA, with most of them targeting families from lower socio-economic groups and all except for one involving children of African American origin only. The studies were explicitly concerned with the attainment of basic cognitive concepts, and many emphasised the development of language. As a result of participation in day care, IQ increased. However, this effect appeared to decrease within two years of the intervention in most of the studies reviewed. Tests of reading, writing, mathematics and general knowledge were used to assess educational outcomes, along with other measures. This information was available for six of the eight studies and all, except for one, showed persistent differences in favour of the day care. One of the studies, the Perry Pre-School project, collected data over several years; these data related to almost all of the 128 children originally recruited to the study. More of the experimental group had jobs at the age of 19; more were attending college or job-training programmes; fewer were in receipt of welfare assistance; had experienced a teenage pregnancy; or had been arrested for criminal acts (Schweinhart, Barnes and Weikart, 1993). The difference was present at the age of 27 years: more of the experimental group had graduated from high school, they had half as many arrests, higher earnings, and less dependence on welfare assistance (Schweinhart et al., 1993).

Other American research has used a quasi-experimental approach. Studies have found that participation in Head Start, an intervention programme to improve the outcomes of children from disadvantaged families, has been associated with short-term improvements in cognitive development although often these 'appeared to 'fade out' after a few years' (Melhuish, 2004, p.18); there is also some evidence that this is associated with the experiences for African American children as opposed to white children and that this may be attributable to African American children who attended Head Start going to 'lower quality' schools than other African American children, which was not found for white children (Melhuish, 2004).

Although these studies were all carried out in the USA and are not necessarily generalisable to an English context, they offer some evidence about the potential for pre-school education to have a positive effect on children's later outcomes (see also Melhuish, 2004). It is also important to stress that these research studies were targeted specifically on children from lower socio-economic groups. From the point of view of equity there are sound grounds for such a policy focus given the strong associations between disadvantage and poorer educational outcomes. In England, the Effective Provision of Pre-school Education project, a major longitudinal research study of young children's development, has investigated the effects of pre-school education (Sylva, Melhuish, Sammons, Elliot, Siraj-Blatchford and Taggart, 2001, 2003b; Sylva, Melhuish, Sammons, Siraj-Blatchford, Taggart and Elliot, 2003a; Sammons, Elliot, Sylva, Melhuish, Siraj-Blatchford and Taggart, 2004; Sylva, Melhuish, Sammons, Siraj-Blatchford and Taggart, 2004). In its early stages, the research involved

examining the associations between a range of personal, family and home environment characteristics and cognitive attainment of children aged around three years at entry to pre-school. It was found that socio-economic background was highly significant even at three years of age: children whose fathers were in professional or managerial work had higher scores than those whose fathers were in partly or unskilled manual work (Sammons, Sylva, Melhuish, Siraj-Blatchford, Taggart, Smees, Dobson, Jeavons, Lewis, Morahan and Sadler, 1999).

In England, as in the USA, there is a focus on 'quality' construed in terms of educational outputs and outcomes. However, the Effective Provision of Pre-school Education project focused on *both* processes *and* outputs (see Sylva et al., 2003a, 2003b, 2004; Sammons et al., 2004). The pre-school providers included maintained nursery schools and nursery classes, local authority day nurseries, integrated centres (providing both education and care), private day nurseries and playgroups. A sample of children with no, or minimal, pre-school experience was also selected; these children had experienced less than 50 hours at a pre-school centre before entering primary school (Sammons et al., 2004).

One of the key findings was that pre-school education can help to ameliorate the effects of disadvantage. Children with no pre-school experience had lower levels of attainment (having controlled for background factors related to the child, parent and home learning environment) compared with children who had experienced varying durations of pre-school provision (Sammons et al., 2004). The impact of the duration of pre-school was also investigated, using the categories of: no experience, up to one year, one to two years, two to three years and over three years. It was found that in general, 'the longer a child was in a target pre-school centre, the stronger the positive impact on attainment' (Sammons et al., 2004, p. 702). However, there was no evidence that full day attendance was associated with greater gains than half day attendance (Sylva et al., 2003a, 2003b, 2004).

The research also found that having controlled for background factors, the type of pre-school provider attended affected progress:

> …integrated centres (these are centres that fully combine education with care) and nursery schools tend to promote better intellectual outcomes for children. Similarly, integrated centres and nursery classes tend to promote better social development even after taking account of children's background and prior social behaviour (Sylva et al., 2003a p. 3).

It was also noted that integrated centres and nursery school provision had the 'highest scores on pre-school quality, while playgroups, private day nurseries and local authority centres [had] lower scores' (Sylva et al., 2004, p. iv).

There was, moreover, a significant positive association between the 'quality' of the provider, as assessed through observations using standardised rating scales, and outcomes. In addition, a positive relationship was found between ratings of the quality of the pre-school provision and the qualification levels of staff employed by the provider (Sylva et al., 2003a, 2003b). The research found that the higher the qualifications of the pre-school staff and in particular those of the manager, the greater the progress of children attending the provider (Sylva et al., 2003a):

> Having qualified trained teachers working with children in pre-school settings…had the greatest impact on quality, and was linked specifically with better outcomes in pre-reading and social development' (p.4).

Similar findings have been found by Zill et al. (2003) in the Head Start Family and Child Experiences Survey (FACES), a study of a national random sample of Head Start programmes. The results showed that:

> Head Start teachers with higher levels of educational attainment, and with more years of teaching experience overall, were more likely to have knowledge and positive attitudes about early childhood education practices, which subsequently influenced classroom quality (p. 1).

These findings are important given that in England there is no requirement for all types of pre-school providers to have qualified teachers on their staff. Staff qualifications vary markedly depending on the type of provider. In 2002/03, as shown in Table 1, around a third of paid staff in pre-schools and playgroups and a fifth of those in day nurseries had no qualifications related to working with children or young people; this compared with around one in ten of those in primary schools with nursery and reception classes (12%) and nursery schools (8%) (MORI 2004a, 2004b, 2004c, 2004d).

Table 1 Percentage of paid staff with no qualifications related to working with children or young people (2002/03 or 2003)

Type of provider	% of paid staff with no relevant qualifications
Playgroups and pre-schools	34
Day nurseries and other full day care provision	20
Primary schools with nursery and reception classes	12
Nursery schools	8

Source MORI 2004a, 2004b, 2004c, 2004d

Whilst one conceptualisation of quality focuses on outcomes as an indicator, there are other indicators of quality. They could, for example, include meeting the needs of parents for affordable care outside the home, providing a safe environment and so on. 'Narrowly defined developmental outcomes are not the primary goal of services in the Nordic countries, such as Denmark, nor in parts of Italy…' (Mooney et al., 2003, p. 8).

Perceptions of quality by different stakeholders may also be considered relevant in the context of debates about quality (see Mooney et al., 2003). A large-scale[9] DfES-funded survey of parents of three to five year olds asked about perceptions of the quality of pre-school providers (Bell and Finch, 2004). This revealed that the proportion rating the quality of education at the main or sole provider as 'excellent' was 42% (this was significantly higher than in 1997 when it stood at 35%). However, there was variation in terms of the type of provider used with only 36% of parents reporting that provision in playgroups/pre-schools was 'excellent' compared with 50% of nursery school users.

Judgments of 'quality' are also part of the Office for Standards in Education (Ofsted) inspection regime. Its 1999-2000 report (Ofsted, 2000) noted that much needed to be done to improve the quality of provision for language and literacy and for mathematics in order for three and four year olds to get the 'best possible foundation' (p. 3) before they start school. Particular concerns were raised in connection with playgroups. However, a later report (Ofsted, 2001), relating to 2000-01, noted 'considerable improvement' (p. 7). This ties in with the findings of Bell and Finch (2004) who found

that the percentage of parents rating playgroups or pre-schools as 'excellent' was significantly higher in 2002 than in 1997 (36% versus 22%).

In short, the literature reveals that there is variation in terms of the 'quality' of provision on offer in the pre-school education market, with, in England, particular concerns being raised about certain types of provision.

4. Participation, availability and affordability

A number of different studies have explored participation in pre-school education and changes since 1997. Participation is clearly linked to both availability and to affordability. Large scale surveys carried out on behalf of the DfES (Blake, Finch, McKernan and Hinds, 2001; Fitzgerald, Finch, Blake, Perry and Bell, 2002; Bell and Finch, 2004) have revealed that overall participation in pre-school education among three and four year olds increased significantly between 1997 and 2002 from 92% to 96%. However, the overall statistics mask stark variation in participation by children from families with different income levels. Thus, Bell and Finch (2004) found that amongst children classified as 'younger' three year olds, participation was lower among those from households earning less than £10,000 than those earning £30,000 or more a year (77% versus 95% in the previous week).[10] They also found that participation was higher amongst white children than amongst those from minority ethnic groups (96% versus 92% in the previous week); for younger three year olds the difference was even more marked – 88% versus 79%. In this context it is noteworthy that 70% of ethnic minorities live in the 88 most deprived local authority districts compared with 40% of the general population (Social Exclusion Unit, 2004). Some of these areas are not well served by pre-school educational provision.[11]

Between 1997 and 2002, parents reported that overall provision had increased; whilst in 1997, 54% of respondents felt that there were too few places providing nursery education in the local area, this figure was 51% in 2002 (Blake et al., 2001; Bell and Finch, 2004). Nevertheless, the fact that half of those surveyed felt that there were too few places, suggests that the current policy has not yet succeeded in meeting demand. Given the differing participation rates between parents from minority ethnic groups and white parents, it is perhaps not surprising to learn that the former were more likely to report that there were insufficient nursery education places in the local area (56% versus 50%).

There have also been changes in terms of the types of providers attended by three and four year old children. The free funding of places for four year olds (extended to three year olds in 2004) has resulted in certain types of provision expanding markedly as shown in Tables 2 and 3 (DfES, 2003a).

Table 2 Percentage of three year olds in differing types of early years education provider (1)

Type of provider	2000		2003	
	Number	% of population	Number	% of population
Private and voluntary providers (2)	268,800	44	323,900	56
Nursery schools and nursery classes (3)	228,400	37	216,200	37
Independent schools	25,900	4	26,800	5
Others (4)	3,800	-	4,400	-
All providers	526,900	86	571,300	99

Notes

1. Any child attending more than one provider may have been counted twice and rounding may cause discrepancies in totals.
2. Includes some local authority providers (not part of schools) registered to receive funding for three and four year olds (no disaggregation of private and voluntary providers is available).
3. Nursery classes are part of primary schools.
4. Includes special schools (and general hospital schools) and infant classes in primary schools, notably reception classes, designated as nursery classes.

Source DfES, 2003a

Table 3 Percentage of four year olds in differing types of early years education provider (1)

Type of provider	1999		2003	
	Number	% of population	Number	% of population
Private and voluntary providers (2)	95,100	15	115,700	19
Nursery school and nursery classes (3)	142,400	23	115,100	19
Infant classes in primary schools (4)	353,900	57	357,000	60
Independent schools	28,700	5	29,000	5
Special schools (5)	2,900	-	2,500	-
All providers	623,100	101	619,300	104

Notes

1. Any child attending more than one provider may have been counted twice and rounding may cause discrepancies in totals.
2. Includes some local authority providers (not part of schools) registered to receive funding for three and four year olds (no disaggregation of private and voluntary providers is available).
3. Nursery classes are part of primary schools.
4. Includes reception classes.
5. Includes special schools (and general hospital schools).

Source DfES, 2003a

The percentage of *three year olds* attending private or voluntary providers increased by 12 percentage points between 2000 and 2003.[12] Table 3 shows that the percentage of *four year olds* attending private or voluntary providers increased by four percentage points between 1999 and 2003 (it is

important to note that no disaggregated data on the numbers attending these very different types of providers are available from official sources). By way of contrast, the percentage of those attending nursery schools or classes fell by four percentage points; and the percentage attending infant classes (including reception classes) increased by three percentage points. This may tie in with earlier research (see Sparkes and West, 1998), indicating that pressure was exerted on parents to send their children to school in order that schools should not lose funds, as a result of the predominantly *per capita* funding for schools (see West and Pennell, 2003).

The overall increase in the proportion of three and four year olds attending private or voluntary providers is not unexpected in the light of the fact that there has been a very explicit policy drive to increase the range of providers from the private and voluntary sectors. There has been a concomitant decrease in terms of the percentage of four year olds in state-funded nursery classes and nursery schools and an increase in the percentage in reception classes. This is a cause for concern. Not only have there been persistent concerns raised about the appropriateness of reception classes for young children (see Lewis, 2003; Sparkes and West, 1998) but there is research evidence to demonstrate that nursery schools and nursery classes offer high quality education, in terms of what is on offer and in terms of progress made by children (Sylva et al., 2004). And as Penn (2000) notes in relation to nursery schools: 'They can potentially offer continuity for children from 0-5, provide childcare as well as education on a single site…But unfortunately, nursery schools have been neglected in the most recent policy discussions' (p. 53).

There are clear differences in terms of the type of provision used by parents with different income levels.[13] Table 4 presents the type of provision used in relation to reported income levels (Bell and Finch, 2004).

Table 4 Use of different types of preschool provider in the last week by lowest and highest income brackets (2002) (children aged three and four years of age)

Preschool provider		**Income per year**			
	Total	**Less than £10,000**	**£10,000 to £19,999**	**£20,000 to £29,999**	**£30,000 or more**
	%	%	%	%	%
Reception class	30	30	31	31	29
Nursery class	26	34	30	25	19
Playgroup/ pre-school	21	14	19	22	25
Nursery school	9	7	7	8	11
Day nursery	11	5	8	10	18
Special school	1	*	1	1	1
Combined/Family centre	*	1	1	*	*
Other	3	4	2	4	3
None	4	7	6	4	2
Base	*3572*	*614*	*802*	*735*	*1219*

Source Bell & Finch (2004)

Note

Categories of preschool provider do not match with those used in official statistics (e.g. DfES, 2003a)

Many more high income families (and those in professional and managerial social classes) used day nurseries for their children than did low income families (and also those in partly-skilled and unskilled social classes). The higher use of day nurseries by those from higher income families is likely to be related to cost, as fees charged for full day nursery care are generally high. More three and four year olds from low income families than from high income families were in nursery classes, which are part of the state school sector. In addition, more children from minority ethnic groups than white children attended nursery classes (34% versus 25%). These differences could be associated with 'the prevalence and scarcity of different provider types in urban areas where ethnic minority families are concentrated and possibly work status' (Bell and Finch, 2004, p. 69), but the issue of affordability is of fundamental importance.

The Daycare Trust noted that almost three-quarters of parents reported a 'lack of affordable quality childcare in their area' (2004). Whilst a survey carried out for the NAO (2004), found that costs were not reported to be one of the 'most important' factors in selecting pre-school providers, other research suggests that costs are likely to be a significant factor in patterns of attendance. Bell and Finch (2004) found that just over a fifth of parents (22%) considered that the *amount* of their child's nursery education had been limited by cost, and more parents of 'younger threes' than 'rising fives' (32% versus 18%) reported that this was the case. Those on the lowest incomes were the most likely to report having had their choice restricted by cost with more parents in the lowest income group than the highest reporting that their children received *too little* nursery education (24% versus 19%). In a similar vein, Penn (2000), in her case studies of nurseries found that: 'On the whole parents felt they had had little choice in choosing their nursery – it was the only one that children of the right age, or had a place at the right time, or was available for the right hours…Costs were crucial and determined the intake of the nursery' (p. 49).

This problem of affordability is not unique to England. As noted by the OECD:

> Despite availability of fee subsidies, affordability is cited as a major barrier to non-school ECEC [Early Childhood Education and Care] services in countries including the UK, the Netherlands and the US, leading to a lower percentage of low-income families enrolled in ECEC than higher-income families (2001, p.92).

It is noteworthy that in an international context there is a tendency for children from low income backgrounds 'to receive inferior services compared to their higher income counterparts' (OECD, 2001, p. 74).

5. Discussion

This paper set out to examine the extent to which progress has been made in meeting three key objectives of the Labour Government's National Childcare Strategy, namely improving the availability, quality and affordability of Early Childhood Education and Care. In terms of availability, more children were in pre-school provision in England in 2002 than in 1997, largely as a result of an expansion of private and voluntary providers. Notwithstanding the expansion, participation was lower amongst younger three year old children from lower than higher income families; it was also lower amongst children with ethnic minority than with white parents.

In relation to quality, there are now improved regulatory systems; however, the existence of quality assurance mechanisms does not necessarily mean that the provision is of a high quality. The evidence

indicates that there is variability in terms of the quality of the provision. Integrated centres (providing both education and care), nursery schools and nursery classes are associated with greater progress on different outcomes. One reason for other forms of pre-school provision being, in general, less effective, is likely to be because fewer staff in these settings have relevant qualifications.

In view of the findings about the high quality of provision in nursery schools and classes, the fact that the numbers of three and four year olds attending these types of provision has declined, is a cause for concern. The Government is, however, planning to expand integrated pre-school centres, providing both education and care. Children's Centres are being increased (Sure Start, 2004b) and the objective is for children attending these to 'get the same high quality early learning experience that would be on offer in a maintained nursery school' (p.11). The Government aims for there to be at least 1,700 Children's Centres for all the children in the 20 per cent most deprived wards by 2008, with a longer term aim of a Children's Centre in every community (DfES, 2004c).

There is evidence to suggest that there are benefits of high quality pre-school educational provision to a range of different outcomes, cognitive and social (Sylva et al., 2003a, 2003b, 2004; Melhuish, 2004). There are also societal benefits. As noted by the Government:

> Given that childcare benefits society as a whole, a modern childcare system should ensure that parents are not prevented from *accessing high quality childcare provision on the grounds of cost*. Availability of childcare plays an important role in tackling disadvantage and child poverty, and supporting social mobility and equality of opportunity (HM Treasury, 2004b, p. 4) [author's italics]

The OECD, in its report on early childhood education, makes an additional point:

> As children with limited access to services are often those who would benefit the most from quality ECEC, for equity reasons, there is a need for better monitoring of the consequences for public expenditure and *mechanisms for distributing resources* (OECD, 2001, p. 92). [author's italics]

The report also notes that there is a need for the Government to re-examine whether the time available via the free, part-time place is 'sufficient to address the social, emotional and language needs of children, especially ethnic minority and children from low-income families' (OECD, 2001, p.180-181).

Whilst the current 'free' pre-school educational provision is limited, the Government covers a significant percentage of the fees for *additional* provision in the case of parents who are eligible for Working Tax Credit (and higher education and some other students). However, the beneficiaries do not include those working less than 16 hours a week. Nor is any *additional* provision available for children living in workless families. This seems anomalous as research evidence indicates that the effects of pre-school education on later academic skills are largest for disadvantaged children who also benefit significantly from high quality provision (Magnuson, Meyers, Ruhm and Waldfogel, 2004; Sylva et al., 2004).

To meet the needs of parents on low incomes and their children it is argued that further financial support from the Government is needed. A new pilot scheme extending free part-time education places to 6,000 two-year olds in disadvantaged areas (HM Treasury, 2004a) is significant, as the

research evidence reviewed points to a longer period – in terms of the number of years or provision – of early education being more beneficial than a shorter period (Sylva et al., 2003a, 2003b, 2004). Significantly, Sylva et al. (2004) found that disadvantaged children tended to have participated in pre-school education for less time than those from more advantaged backgrounds.

However, it should also be stressed that Government initiatives are targeted, in the main, on disadvantaged areas (wards). The difficulty with this approach is that whilst over 50% of children from families on income support live in the 20% most deprived wards, over 40% of children from families on income support do not live in these areas (House of Commons Select Committee on Work and Pensions, 2003).

What, then, are the implications for future policy? Further funding could be targeted to eligible parents via the Working Tax Credit; the maximum fee level under the childcare element could be increased as could the percentage of costs covered by the Government; it could also be extended to those working less than 16 hours a week. However, this still leaves some of the most disadvantaged children (e.g., those in workless families) with very limited pre-school education; these are children who stand to benefit significantly from pre-school educational provision. On the basis of the evidence examined, there would be a strong argument for extending the current quasi-voucher (providing a free part-time place) to all two year old children living in households with incomes below a given level irrespective of where they live, so that they have a longer period of high quality pre-school education. There is also an argument for increasing the value of the quasi-voucher so that it covers more than 2.5 hours for 33 weeks a year; such a move would assist those parents on low incomes, a significant minority of whom report that the amount of pre-school education is limited by cost considerations. It would also create a more level playing field in the pre-school education market and those on low incomes would be able to make more authentic choices and not have their choices restricted, to the extent that they are at present, by cost considerations.

If the Government moves in the direction of making it easier for disadvantaged children to benefit from pre-school education, it will be important for consideration to be given to the type of provision that should be funded. The research analysed here suggests that if the Government wishes to pursue further expansion of voluntary and private providers, provision should be modelled on policy and practice in nursery schools, nursery classes and integrated centres providing education and care. The evidence indicates that 'quality' construed in terms of processes and outputs, is higher in these types of provision, not least because of the qualification levels of the staff employed. By focusing policy on high quality provision, targeted on those most in need, the overall benefits, educational and social, are likely to be greater.

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Endnotes

[1] In England, education is compulsory from the term after a child reaches five years of age.

[2] Including reception classes catering for children in the year before compulsory schooling begins.

[3] In 2004 there were 150 local education authorities in England.

[4] The term 'nursery voucher' is still used on occasion as is the term 'nursery education grant'; the latter is named after the funding stream initially used by the Labour Government to fund the quasi-voucher scheme.

[5] Under the Conservative voucher scheme there was a flat fee across the country, with no top-ups for disadvantage or higher costs. According to information provided by a sample of local education authorities (London Borough of Brent (2005), Islington (2005), Harrow (2005), City of Westminster (2005), Dorset County Council (2005), East Sussex (2005) and Kent (2005)), the amount payable for 2004-05 varied little, ranging from £1248 to £1278.

[6] Financial assistance with childcare fees is also available for under 19 year olds (DfES, 2005), for those taking health professional courses and may also be available for eligible further education students (Learndirect, 2005).

[7] In 2002, the average number of children per adult was 12.4, with 87% of pupils being in classes with 15 or fewer children per adult, and 13% in classes with over 15 and up to 30 children per adult (DfES, 2003b).

[8] Classroom assistants are often employed in addition to qualified teachers.

[9] The total sample size was over 4,000.

[10] All differences reported are statistically significant at the 0.05 level or beyond on the basis of the confidence limits and sample sizes provided by Bell and Finch (2004).

[11] The DfES, recognising the fact that local authorities in some disadvantaged areas were having problems reaching this target, made additional funds available to help increase provision (NAO, 2004).

[12] Data prior to 2000 are not available.

[13] The focus on income as opposed to social class is intentional.